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Attorneys for MOAC Mall Holding LLC

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
SEARS HOLDINGS CORPORATION, <i>et al.</i> ,)	Case No. 18-23538 (RDD)
Debtors. ¹)	(Jointly Administered)

**MOAC MALL HOLDING LLC'S OBJECTION TO SUPPLEMENTAL NOTICE OF
CURE COSTS AND POTENTIAL ASSUMPTION AND ASSIGNMENT OF
EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION WITH
GLOBAL SALE TRANSACTION**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's tax identification number are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innoval Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

MOAC Mall Holding LLC (“MOAC”), by and through its undersigned counsel, hereby submits this objection (the “Objection”) to the Supplemental Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction (the “Supplemental Cure Notice”) (Doc. No. 1734), and in support hereof states as follows:

1. On October 15, 2018, Sears Holding Corporation and its affiliated debtor entities (collectively, the “Debtors”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code in the U.S. Bankruptcy Court for the Southern District of New York.

2. On January 23, 2019, the Debtors filed the Supplemental Cure Notice which identifies a lease between Sears Holding Management Corporation and MOAC dated May 30, 1991 (as amended from time to time the “lease”) with no amount indicated for a cure cost (the “Proposed Cure Cost”). (Supplemental Cure Notice, Exhibit B-1, identified as store 1722).

3. MOAC objects to the Assumption and Assignment of Its Executory Contract and Unexpired Lease. Debtor has failed to establish “Adequate Assurance” of future performance.

4. MOAC objects to the Supplemental Cure Notice and the Proposed Cure Costs. The Debtor is in default under the terms of the Lease for failing to timely pay of real estate taxes and electric utilities due and owing under the terms of the Lease. The Lease additionally provides for recovery of reasonable attorneys’ fees and costs incurred in connection with the Debtor’s failure to comply with certain Lease terms.

5. This Objection seeks to (a) hold Debtor to its burden of proof by showing Adequate Assurance of future performance and (b) provide the accurate cure amount of \$531,561.50 as of December 31, 2018, plus all accruals and all attorneys’ fees. A true and

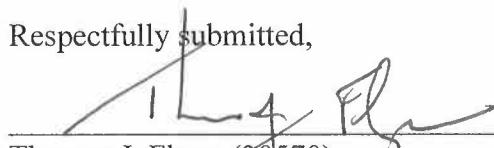
correct copy of the Statement of Cure Costs as of December 31, 2018, is attached hereto as Exhibit A.

6. Accordingly, MOAC objects to the assumption and assignment of its lease and the amount listed in the Supplemental Cure Notice.

7. MOAC joins objections filed by Debtors' others landlords to the Global Bidding Procedures Order and Supplemental Notice to the extent that such objections are not inconsistent with this Objection. MOAC expressly reserves the right to supplement and amend this Objection including, without limitation, to update cure amounts due and owing under the Lease along with attorneys' fees and costs relating to the enforcement of same.

Dated: January 30, 2019

Respectfully submitted,



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Admitted Pro Hac Vice on December 26, 2018

Dated: January 30, 2019

/s/David W. Dykhouse

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Attorneys for MOAC Mall Holding LLC

EXHIBIT A

INVOICE

DATE: January 10, 2019

TO: Sears

RE: MALL OF AMERICA
2018 COMMON AREA TAX CALCULATION

Total Parking Spaces	12,750
Less: Parking allocated by Hennepin County to the anchors	
Macys	(1,245)
Nordstrom's	(948)
Sears	(801)
Net Parking included on Main Parcel	<u>9,756</u>
Assessed Value per Space:	\$ 12,755.88
Parking Assessment	<u>124,446,400</u>
Total Main Parcel Assessment	<u>840,000,000</u>
% of Assessment Attributable to Parking	<u>14.8150%</u>
GLA of the center	<u>2,940,567</u>
Common Area square footage	
First Floor	268,626
Second Floor	237,387
Third Floor	270,116
Fourth Floor	<u>75,569</u>
Total Mall Gross Square Footage	<u>3,792,265</u>
Less: Area Not on Tax Parcel	
Phase 1C (Expansion)	(160,413)
Macys	(276,581)
Nordstrom's	(210,664)
Sears	<u>(177,904)</u>
Gross GLA of Parcel	<u>2,966,703</u>
Total Common Area	<u>851,698</u>
Portion of Gross GLA Allocable to Common Area	<u>28.71%</u>
Tenant's share of common areas taxes	
Total Main Parcel Taxes (01-027-024-31-0012 & 0013)	30,385,470.35
Less: Taxes Attributable to Parking	4,501,621.90
Taxes Net of Parking	<u>25,883,848.45</u>
% Allocable to Common Area	28.71%
Common Area Taxes	<u>7,430,882.69</u>
Gross Leasable Area	2,780,154
Common Area Taxes per Sq/ft	2.6728
Sears Square Footage	177,904
Tenants Share of Common Area Taxes for the year	<u>475,507.38</u>



A-600 Government Center
300 S. Sixth Street
Minneapolis, MN 55487-0060
612-348-3011 www.hennepin.us

Property tax statement

2017 values for taxes payable in 2018

2018**TAXPAYER(S):**

MOAC MALL HOLDINGS
60 EAST BROADWAY
BLOOMINGTON MN 55425-5510

Owner: MOAC MALL HOLDINGS LLC

Property address:
8100 24TH AVE SProperty description:
LOT 001 BLK 001 ADDITION: MALL OF AMERICA 8TH ADDN**Property tax statement**

Step	Value & classification	2017	2018
	TAX YEAR PAYABLE	2017	2018
	CLASS (ES):	COM PREFERRED	COM PREFERRED
	Estimated Market Value:	840,000,000	840,000,000
	Homestead Exclusion:		
	Other Exclusion/Deferral:		
	New Improvements/		
	Expired Exclusions:	0	0
	Taxable Market Value:	840,000,000	840,000,000

Proposed levies & taxes

2018 Proposed: 29,973,295.02

Step	Property tax statement	2017	2018
3	First-half Taxes: 15,192,735.19		
	Second-half Taxes: 15,192,735.19		
	Total Taxes 2018: 30,385,470.38		

Property tax refund information

Taxes payable in year:

2017

2018

1. Use this amount on Form M1PR to see if you are eligible for a property tax refund.
File by August 15. If this box is checked, you owe delinquent taxes and are not eligible.

 Taxes owed .00

2. Use these amounts on Form M1PR to see if you are eligible for a special refund.

.00

Don't forget to see if you qualify for a property tax refund! Go to www.revenue.state.mn.us for Form M1PR.

Property Tax and Credits

3. Property tax before credits	30,761,902.21	30,088,094.55
4. A. Agricultural and rural land credits	.00	.00
B. Other credits	.00	.00

Property Taxes after credits

5. Property Taxes after credits	30,761,902.21	30,088,094.55
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Property Tax by Jurisdiction

6. A. County	4,865,521.99	4,735,480.02
B. Regional Rail Authority	212,446.51	217,039.14
7. City or Town	4,516,668.25	4,488,241.24
8. State General Tax	7,694,392.48	7,368,333.03
9. School District:	2,049,208.10	2,339,249.68
A. Voter approved levies	1,788,281.36	1,668,016.64
B. Other Local Levies	311,330.71	296,797.16
10. Special Taxing Districts:	676,628.41	650,674.99
A. Metropolitan Special Taxing Districts	612,702.64	174,744.89
B. Other Special Taxing Districts	64,925.77	0.00
C. Tax Increment	0.00	0.00
D. Fiscal Disparity	8,647,424.40	8,324,262.65

11. Non-School Voter Approved Referenda Levies .00 .00

12. Total property tax before fees and Special Assessments 30,761,902.21 30,088,094.55

13. A. Special Assessment Principal and Fees 612,702.64 174,744.89

B. Special Assessment Interest 148,558.45 122,630.94

14. YOUR TOTAL PROPERTY TAX AND SPECIAL ASSESSMENTS 31,523,163.30 30,385,470.38

Learn about property taxes: www.hennepin.us/propertytaxes

2018 ELECTRIC ADJUSTMENT INVOICE

Tenant Sears	Suite AD	Meter # 81023326	Rate A14
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Billing Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Metered Days	31	28	31	30	31	30	31	31	30	31	30	31	365
Off Peak Consumption (kWh)	119,564.5	91,676.1	104,458.5	100,482.9	118,814.7	121,311.1	132,304.5	123,070.4	128,636.4	98,415.4	101,014.1	123,479.3	1,363,227.9
On Peak Consumption (kWh)	82,101.6	71,383.5	78,813.4	83,819.2	111,603.0	115,241.8	119,561.1	129,799.4	95,993.1	93,482.3	72,451.0	76,239.8	1,130,489.3
Total Consumption (kWh)	201,666.1	163,059.6	183,271.9	184,302.1	230,417.7	236,552.9	251,865.5	252,869.9	224,629.6	191,897.7	173,465.1	199,719.1	2,493,717.2
Off Peak Demand (kW)	382.3	345.7	366.0	456.9	587.8	574.5	584.7	579.6	581.7	404.9	386.1	354.8	
On Peak Demand (kW)	381.5	346.7	390.1	484.6	566.9	576.1	582.2	586.7	581.2	470.4	361.7	371.3	
Maximum Demand (kW)	382.3	346.7	390.1	484.6	587.8	576.1	584.7	586.7	581.7	470.4	366.1	371.3	
Customer Charge	\$ 69.33	\$ 69.33	\$ 69.33	\$ 69.33	\$ 69.33	\$ 69.33	\$ 69.33	\$ 69.33	\$ 69.33	\$ 69.33	\$ 69.33	\$ 69.33	\$ 831.93
Energy Charge (kWh)	\$ 7,089.34	\$ 5,732.17	\$ 6,442.71	\$ 6,478.93	\$ 8,100.07	\$ 8,315.74	\$ 8,854.04	\$ 8,889.35	\$ 7,896.59	\$ 6,745.94	\$ 6,097.97	\$ 7,020.90	\$ 87,663.76
Demand Charge (kW)	\$ 4,503.23	\$ 4,084.32	\$ 4,595.99	\$ 5,709.08	\$ 6,923.90	\$ 9,414.63	\$ 9,555.76	\$ 9,588.97	\$ 9,505.95	\$ 5,541.51	\$ 4,548.11	\$ 4,374.56	\$ 78,346.01
Energy Charge Credit	\$ (683.62)	\$ (526.42)	\$ (344.66)	\$ -	\$ (95.89)	\$ (159.49)	\$ (162.07)	\$ -	\$ (298.01)	\$ (723.82)	\$ (2,993.97)		
Interim Rate Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Environmental Improve Rider (kWh)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Environmental Improve Rider (kW)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fuel Cost Charge (kWh)	\$ 5,537.75	\$ 4,536.32	\$ 4,543.31	\$ 4,506.19	\$ 6,601.47	\$ 6,774.87	\$ 6,936.38	\$ 5,659.23	\$ 6,788.31	\$ 5,154.37	\$ 4,428.56	\$ 5,440.35	\$ 66,907.10
Resource Adjustment	\$ 586.65	\$ 474.34	\$ 533.14	\$ 536.13	\$ 670.29	\$ 688.13	\$ 732.68	\$ 735.60	\$ 653.45	\$ 600.83	\$ 543.12	\$ 625.32	\$ 7,379.67
Sales Tax	\$ 1,286.98	\$ 1,081.35	\$ 1,191.95	\$ 1,301.80	\$ 1,682.97	\$ 1,893.80	\$ 1,955.65	\$ 1,864.73	\$ 1,874.75	\$ 1,362.93	\$ 1,158.03	\$ 1,264.70	\$ 17,919.62
Total Electric Due	\$ 18,389.65	\$ 15,451.41	\$ 17,031.76	\$ 18,601.45	\$ 24,048.02	\$ 27,060.62	\$ 27,944.34	\$ 26,645.13	\$ 26,788.37	\$ 19,474.92	\$ 16,547.10	\$ 18,071.33	\$ 256,054.12
Less Electric Billed Monthly	\$ (50,000.00)	\$ -	\$ -	\$ (50,000.00)	\$ -	\$ -	\$ (50,000.00)	\$ -	\$ -	\$ (50,000.00)	\$ -	\$ -	\$ (200,000.00)
Amount Due (Credit)	\$ (31,610.35)	\$ 15,451.41	\$ 17,031.76	\$ (31,398.55)	\$ 24,048.02	\$ 27,060.62	\$ (22,055.66)	\$ 26,645.13	\$ 26,788.37	\$ (30,525.08)	\$ 16,547.10	\$ 18,071.33	\$ 56,054.12

2018 ELECTRIC ADJUSTMENT INVOICE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:)	Chapter 11
)	
SEARS HOLDINGS CORPORATION, <i>et al.</i> ,)	Case No. 18-23538 (RDD)
)	
Debtors. ¹)	(Jointly Administered)
)	
)	

CERTIFICATE OF SERVICE

I, Gina M. Rice, hereby certify that on January 30, 2019, I caused to be served the foregoing MOAC Mall Holding LLCs Objection to Supplemental Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction upon were served upon the parties listed by ECF notification and the persons or entities listed on the attached service list in the manner indicated thereon.

Dated: January 30, 2019



Gina M. Rice
For Larkin Hoffman Daly & Lindgren, Ltd.
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Suite 1000
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(952) 835-3800

SERVICE LIST

VIA EMAIL

I. Bid Notice Parties

a. Debtors

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Mohsin Meghji: mmeghji@miiipartners.com

b. Debtors' counsel

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Garrett A. Fail, Esq.: garrett.fail@weil.com
Sunny Singh, Esq.: sunny.singh@weil.corn

c. Debtors' investment banker:

Brandon Aebersold and Levi Quaintance: project.blue.rx@lazard.com

II. Buyer Parties

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Harold Talisman: harold@eslinvest.com

b. Counsel

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Benet J. O'Reilly, Esq.: boreilly@cgsh.com
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George Howard, Esq.: George.Howard@skadden.com

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VIA FIRST CLASS MAIL

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Weil, Gotshal & Manges LLP
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New York, New York 10153

Cleary Gottlieb Steen & Hamilton LLP
Attention: Christopher E. Austin, Benet J. O'Reilly and Sean A. O'Neal
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4828-8463-1686, v. 2